

AMENDED IN ASSEMBLY APRIL 10, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1093

Introduced by Assembly Member Lieber

February 20, 2003

An act to add Section 19830.5 to the Government Code, and to add Article 13 (commencing with Section 10480) to Chapter 2 of Part 2 of the Public Contract Code, relating to living wages.

LEGISLATIVE COUNSEL'S DIGEST

AB 1093, as amended, Lieber. Living wage.

Existing law prescribes requirements relating to health care coverage provided by employers subject to local living wage laws, and prescribes requirements relative to payment of prevailing wages on public works.

This bill would enact provisions known as the California Living Wage Act, ~~which. This bill~~ would require the state, and any ~~employer~~ *qualified contractor and qualified subcontractor, as defined*, that ~~contracts with the state pursuant to provisions governing state procurement~~ *performs a qualified contract, as defined, for a state agency*, to pay *not less than a living wage, as defined*, to each of its employees, *as defined*.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
2 following:

1 (a) Wages for the bottom 10 percent of wage earners fell
2 dramatically by 9.3 percent between 1979 and 1999.

3 (b) Underpaying employees tends to inhibit the quality and
4 quantity of services by fostering high turnover, absenteeism, and
5 lackluster performance.

6 (c) Local governments throughout the country have adopted
7 living wage ordinances, including the counties of Santa Clara and
8 Los Angeles, and the Cities of San Jose, Oakland, Hayward, and
9 Los Angeles.

10 (d) Higher wages may actually help firms reduce turnover and
11 fill vacancies and can also lead to greater worker productivity by
12 improving morale and overall job satisfaction.

13 (e) Studies on existing living wage ordinances have found early
14 evidence that relatively little of the extra cost in labor has been
15 passed on to consumers or the cities with whom they contract.

16 (f) The state should promote an employment environment
17 where wages are adequate to avoid the need for social services to
18 be provided by the state.

19 SEC. 2. This act shall be known and may be cited as the
20 California Living Wage Act.

21 SEC. 3. Section 19830.5 is added to the Government Code, to
22 read:

23 19830.5. (a) As used in this section, “living wage” means
24 ten dollars (\$10) per hour if the employee receives health
25 insurance coverage, or twelve dollars (\$12) per hour if the
26 employee does not receive health insurance coverage. ~~This~~
27 ~~amount~~ *These amounts* shall be adjusted annually by the
28 Department of Finance to reflect any increase in the California
29 Consumer Price Index.

30 ~~(b) The state shall pay a living wage to all of its employees.~~

31 *(b) (1) The state shall pay not less than a living wage to each*
32 *of its employees.*

33 *(2) For purposes of this section, “employee” means a person*
34 *that is employed by the state on a full-time, part-time, temporary,*
35 *or seasonal basis.*

36 (c) All or any part of the provisions of this section may be
37 waived in a bonafide collective bargaining agreement, but only if
38 the waiver is explicitly set forth in the agreement in clear and
39 unambiguous terms. Unilateral implementation of terms and
40 conditions of employment by either party to a collective

bargaining relationship shall not constitute, or be permitted, as a waiver of any provision of this section.

SEC. 4. Article 13 (commencing with Section 10480) is added to Chapter 2 of Part 2 of the Public Contract Code, to read:

Article 13. Living Wage

~~10480. As used in this article, “living wage” means ten dollars (\$10) per hour if the employer provides health insurance, or twelve dollars (\$12) per hour if the employer does not provide health insurance. This amount shall be adjusted annually by the Department of Finance to reflect any increase in the California Consumer Price Index.~~

~~10481. Any employer that contracts with the state pursuant to this to this chapter shall pay a living wage to its employees.~~

10480. As used in this article:

(a) “Employee” means a person that is employed on a full-time, part-time, temporary, or seasonal basis by a qualified contractor or qualified subcontractor to perform a qualified contract.

(b) “Living wage” means ten dollars (\$10) per hour if the qualified contractor or qualified subcontractor provides health insurance coverage to each of its employees performing the qualified contract or twelve dollars (\$12) per hour if the qualified contractor or qualified subcontractor does not provide health insurance coverage to each of its employees performing the qualified contract. These amounts shall be adjusted annually by the Department of Finance to reflect any increase in the California Consumer Price Index.

(c) “Qualified contract” means a contract with a state agency that meets both of the following criteria:

(1) The contract is for services.

(2) The cost of the contract to the state agency is one hundred thousand dollars (\$100,000) or more.

(d) “Qualified contractor” means a contractor that employs 100 or more employees.

(e) “Qualified subcontractor” means a subcontractor that employs 100 or more employees.

10481. A qualified contractor and a qualified subcontractor that are performing a qualified contract shall pay each of its

1 *employees performing that contract not less than a living wage*
2 *while the employees are performing that contract.*
3 10482. All or any part of the provisions of this article may be
4 waived in a bonafide collective bargaining agreement, but only if
5 the waiver is explicitly set forth in the agreement in clear and
6 unambiguous terms. Unilateral implementation of terms and
7 conditions of employment by either party to a collective
8 bargaining relationship shall not constitute, or be permitted, as a
9 waiver of any provision of this article.

